

Department of Public Health
and Human Services

Section:
CASE MANAGEMENT

TANF CASH ASSISTANCE

Subject:
Sanction

Supersedes: TANF 702-3 (07/01/07); TB035 (06/25/07)

References: 45 CFR 261.13 -.15; ARM 37.78.102, .103, .216, .506 and .508; Deficit Reduction Act of 2005;

► **GENERAL RULE**– There are specific eligibility requirements TANF cash assistance participants must fulfill to remain eligible for benefits. A sanction is imposed when the TANF cash assistance participant, who is required to complete a Family Investment Agreement and WoRC Employability Plan (FIA/EP), fails or refuses to comply with, or verify participation in, activities negotiated with either Tribal NEW or WoRC.

► **NOTE:** A sanction will not be imposed if good cause for failure to comply with or verify participation in activities is provided and verified by the participant. (TANF 702-2)

A sanction has two elements:

1. evaluation of good cause (Sections 702-2 and 1509-1), and
2. penalty.

FS NON-COMPLIANCE

The Food Stamp allotment must be redetermined when there is a TANF non-compliance. Refer to FS Policy Manual section 602-5.

► SUPPORTIVE SERVICES

Supportive Service payments are not allowed for any sanctioned individual during the one-month decrease/penalty month, **unless** the sanctioned individual is a work-eligible individual (natural or adoptive parent) who is mandated to participate in activities during the sanction penalty month and has negotiated and agreed to comply with allowable work activities during the sanction penalty month. (TANF 704-1)

Supportive services are not allowed for any sanctioned individual who chooses to participate during the one month ineligibility period.

► SANCTION COUNTER

Effective January 1, 2008, changes to the sanction policy were implemented. At this time the sanction “counters” of all TANF participants were reset to “0”.

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► SANCTION PERIODS

The sanction policy effective January 1, 2008 is as follows:

1st Sanction:

One (1) month penalty period

2nd Sanction:

One (1) month household ineligibility period

3rd Sanction:

Three (3) month household ineligibility period

4th and subsequent sanction:

Six (6) month household ineligibility period

► PENALTY PERIOD (MONTH)

The month of the 1st sanction is referred to as the 'penalty month' because there is the penalty of a reduced benefit. The sanctioned individual is still considered eligible for benefits. However, the household's grant will decrease by an amount equal to one person's share of the payment and the individual may be required to participate in activities during the reduction month.

(See section titled "Participation During the One-Month Decrease.")

The reduction is accomplished by coding the sanctioned individual(s) as 'DQ' on SEPA with an 'SN' reason code. If two individuals are sanctioned, the reduction is equal to two people's share of the payment.

The one-month decrease begins the first of the month after giving timely notice to the participant. If the benefit month has been authorized, TEAMS will deauthorize and the Deauth message will be displayed. If timely notice cannot be sent, the imposition of the one-month decrease must be set to begin the next benefit month.

During the one-month decrease, the sanctioned individual's time clock continues to increment - "tick" – regardless of their participation requirements. If the case is closed, the timeclock does not increment. (See Section 802-1 for timeclock information.)

NOTE:

In order for the clock of a sanctioned teen parent (Adult/Child indicator 'I') to tick during a sanction, the PTP exemption code must be removed from AF SEPA. An alert should be set to re-enter the PTP exemption code once the sanction has been served.

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**► PARTICIPATION
DURING THE
PENALTY
MONTH**

If the sanctioned individual is considered a “work-eligible individual” (TANF 701-1), they are required to negotiate, sign and comply with a FIA/EP during the sanction penalty month. The FIA/EP may contain different work activities than were previously negotiated. During that month, childcare coverage will still be available to allow the sanctioned parent to participate in the negotiated work activities.

NOTE:

If the sanctioned “work-eligible individual” fails to negotiate a FIA/EP for the sanction penalty month by the last day of the month preceding the sanction penalty month (or the first working day following the last day of the month if the last day of the month is on a weekend or holiday), the case is closed for failing an eligibility requirement. No decreased benefits are issued.

If the household subsequently reapplies for TANF after the effective date of closure, for the sanction penalty month, the sanctioned “work-eligible individual” and any other work-eligible individuals are required to negotiate a FIA/EP for the sanction penalty month, before benefits can be authorized. The sanctioned individual remains coded ‘DQ/SN’. Benefits will be pro-rated for the sanction penalty month based on the criteria outlined in TANF 103-5.

If the sanctioned individual is **not** required to negotiate a FIA/EP and agree to participate in work activities during the sanction penalty month, (TANF 701-1) but wants to continue to participate in previously negotiated activities during the one-month decrease, they can.

During that month childcare coverage will still be available to allow the sanctioned individual to participate in those activities. However, if the non-parent fails to participate after choosing to continue to participate, no additional penalties are imposed.

If the individual is participating in a WEX, Worker’s Compensation coverage will also continue for the month.

**► ENDING THE
FIRST SANCTION**

During the one-month decrease, a participant who is not required to negotiate a FIA/EP and agree to participate in work activities during the sanction penalty month (See Participation During the One-Month Decrease Section) may end the first sanction by negotiating a new FIA/EP for the **next** month. If the FIA/EP is negotiated prior to the last day of the sanction penalty month, full benefits will be reinstated the first of the **next** month once all requirements are met.

► **NOTE:** Failure to negotiate a new FIA/EP by the end of the sanction penalty month will result in case closure. However, the participant may reapply for TANF cash assistance at any time following case closure. (The household is no longer subject to an “automatic” ineligibility month.)

1. If the case has been closed, TEAMS will not allow the case to be reverted to open based on the sanction. In this instance, an application must be registered using the date of request as the application date and the first of the next month as the benefit start date. If the case was not closed yet, move on to step 2.
2. The Eligibility Case Manager would change the individual's participation code on SEPA from 'DQ' to 'IN' for the **next** month.
3. A referral would be made to either Tribal NEW or WoRC on EMPL. (A referral to WoRC will trigger an alert on RELI).
4. If the referral is to NEW, benefits can be authorized for the next month and if the case has been closed, send TEAMS notice X-501 “Revert to Open”.
5. If the referral is to WoRC, benefits cannot be authorized until the participant negotiates a Family Investment Agreement/WoRC Employability Plan (FIA/EP). If the case was closed, send TEAMS notice X-501 once the FIA/EP is negotiated.

► INELIGIBILITY PERIOD

The ‘ineligibility period’ refers to the time period for total case closure and ineligibility imposed against all required filing unit members at the time of the sanction, or all individuals who enter the household during the ineligibility period and who would have been a required filing unit member at the time of sanction.

EXAMPLE: Mom is sanctioned and a three (3) month ineligibility period is imposed for the months of June, July and August. On August 5th she reports that another child has returned to her household. She applies for TANF cash assistance for that child. Because the child would have been a required filing unit member at the time of sanction, he/she is not eligible for TANF cash assistance until the end of the sanction ineligibility period.

► Sanction ineligibility periods increase depending on the number of sanctions the participant has imposed against them. (See SANCTION PERIODS section on page 2.)

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**PARTICIPATION
DURING THE
ONE-MONTH
INELIGIBILITY**

If any participant wants to continue to participate in previously negotiated activities during a one-month ineligibility period, he/she can. During that month, childcare coverage will still be available to participate in those activities. If the individual is participating in a WEX, Worker's Compensation coverage will also continue for the month.

**NOTE:**

If any participant wants to participate in employment and training opportunities offered through the WoRC Program during the three (3) or six (6) month ineligibility period, they will not be considered a TANF participant during the ineligibility period. TANF childcare is not available during the ineligibility period. Worker's Compensation coverage is also not available during the ineligibility period.

**► TIMECLOCK
DURING
INELIGIBILITY
PERIOD**

The timeclock does not increment during the ineligibility period unless the participant requests and receives continuation of benefits for one month pending a Fair Hearing. Once the benefit is authorized, the timeclock will increment ("tick") even if the Hearings Officer rules in favor of the State and the participant is required to repay the benefits.



In this situation, the participant will be considered to have served one month of the ineligibility period due to having to repay the continued benefits.

**► APPLICATION
FOLLOWING
INELIGIBILITY
PERIOD**

The household must complete a new Application for Assistance (HCS-250) if they wish to receive TANF cash assistance after the ineligibility period, regardless of participation during the one month ineligibility period.

EXCEPTION:

If the household has requested and received continued benefits pending a fair hearing for one month during a one month ineligibility period, they do not need to complete a new application, but must negotiate a new FIA/EP prior to receiving further TANF cash assistance benefits.

**► INTENSIVE CASE
MANAGEMENT
MEETING**

Individuals who are applying for TANF cash assistance and who have been sanctioned at least twice since January 1, 2008 are required to participate in an intensive case management meeting within the first 30 days of TANF eligibility. Failure to participate in the intensive case management meeting within the first 30 days of TANF eligibility will result in case closure for failing an eligibility requirement.



This intensive case management meeting must include the WoRC Case Manager and supervisor, the OPA County Director or designee, the Eligibility Case Manager and any other involved entities, e.g. advocates for the participant, counselors, etc.

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- The purpose of the intensive case management meeting is to discuss the reasons for non-compliance and to assist the participant in identifying reasons for non-compliance. The intensive case management meeting may also identify appropriate measures and/or referrals that can assist the participant in engaging in the allowable work activities.
- **PENALTY/ INELIGIBILITY PERIOD FOLLOWS INDIVIDUAL** If a sanctioned member leaves the assistance unit and moves into another TANF household, the sanction/ineligibility month follows him/her to the other household.
- **EXCEPTION:** If a child (or children) who is under a sanction ineligibility period is removed from the home by Child and Family Services and placed in another household, he/she may be eligible for TANF cash assistance during the time period he/she is placed in another household, provided other eligibility criteria is met, e.g., living with a specified caretaker relative, etc.
- **SANCTION APPROVED** If the decision of the Sanction Review Committee is to impose the sanction (TANF 702-2), the Eligibility Case Manager must send the appropriate TEAMS notice to the household.
- **Open Case:** If the household is open to TANF cash assistance, **timely** notice of the sanction is required.
- **Closed Case:** If the household is closed to TANF cash assistance, and a closure notice has already been sent, **adequate** notice of the sanction is required.
- **NOTE:** The determination of which notice is appropriate will depend in part on whether or not the sanctioned individual is a 'work-eligible' individual and required to negotiate a Family Investment Agreement/Employability Plan.
- **EXAMPLE 1:**
- Mom and 2 children are receiving TANF cash assistance. On January 15th, Mom requests closure of her case effective January 31st. The Eligibility Case Manager closes the case effective January 31st and sends notice on January 17th. Participant is still required to participate in allowable work activities as negotiated during the month of January.
- On January 21st, a sanction recommendation for Mom is received from the WoRC Case Manager for non-compliance. It is Mom's second sanction. The Sanction Review Committee approves the sanction on January 24th.

Since the case is already closed and notice of closure has been sent, the OPA Eligibility Case Manager sends adequate notice of the sanction using the A609 "2ND OR MORE SANCTION CLOSE" notice. The sanction and the one (1) month ineligibility period are imposed effective February 1st.

The entire household is ineligible for TANF from February 1st through February 28th. If Mom wishes to receive TANF cash assistance following the ineligibility period, she must reapply for TANF. She may be eligible effective March 1st.

EXAMPLE 2:

Dad and 2 children are receiving TANF cash assistance. On February 6th, a sanction recommendation is received from the WoRC Case Manager for non-compliance. It is Dad's first sanction. The Sanction Review Committee approves the sanction on February 14th. The OPA Eligibility Case Manager. The OPA Eligibility Case Manager sends timely notice of the sanction using the A741 "1st SAN DECREASE--WORK ELIGIBLE" notice. The sanction and the one (1) month penalty period are imposed effective March 1st. Dad must negotiate and sign a FIA/EP prior to the end of February in order to receive the reduced benefit for March.

EXAMPLE 3:

Mom and 1 child are receiving TANF cash assistance. On February 18th, a sanction recommendation is received from the WoRC Case Manager for non-compliance. It is Mom's second sanction. The Sanction Review Committee approves the sanction on February 20th.

The OPA Eligibility Case Manager cannot send timely notice of the sanction for March, so March benefits are released at the current amount.

The OPA Eligibility Case Manager would send timely notice of the sanction for April using the A609 "2ND OR MORE SANCTION CLOSE" notice. The case is closed effective March 31st.

The entire household is ineligible for TANF from April 1st through April 30th. If Mom wishes to receive TANF cash assistance following the ineligibility period, she must reapply for TANF. She may be eligible effective May 1st.

► SANCTIONED INDIVIDUAL LEAVES HOUSEHOLD

If the household reports that the sanctioned individual has left the household during a sanction penalty month, the household is required to complete the HCS-262 "Household Member Absence" form. The information on the form will be used to make a determination of whether or not the member is considered to be temporarily absent. (TANF 302-1) Household composition should be considered questionable and verification requested. (TANF 201-3; 103-4)

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If the verification indicates the sanctioned individual is not temporarily absent the sanctioned individual must be removed from the household. In order to do this, the sanction must be lifted via SAMA (see cancel/remove a sanction process on page 10). Once the sanction is lifted, the individual must be coded 'OU' on AF SEPA and removed from the household via DECC. Benefits for the remaining household members may be issued, provided all other eligibility criteria are met.

NOTE: In this instance the sanction does still count against the individual. A TEAMS case note titled "Sanction Lifted—Remove from HH" must be entered. A PRAP alert should be entered on the individual. An ETAL alert should be set for a time period 6-12 months in the future indicating the sanction is still considered imposed, even though it will not show on the Sanction Person History (SAPH) screen in TEAMS.

► EXTENDED BENEFIT CASES

The sanction process does not occur in extended benefit cases. (TANF 801-3) Sanctions for non-compliance end when the 60th month is used. Neither a sanction penalty month nor an ineligibility month can be imposed past the 60th month.

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FIRST SANCTION PROCEDURE

Complete the following procedure to assure the sanction is entered and penalty period is imposed and recorded on TEAMS.

RESPONSIBILITY

ACTION

Eligibility Case Manager:

1. Upon approval of the Sanction Review Committee or upon sanction referral from Tribal NEW, go to the EMPL screen and enter 'S' next to the appropriate component. TEAMS will go to SAMA.
2. On SAMA, add information in the COMMENTS field, and press enter to store the sanction. Then press F5 to return to EMPL. Benefits will be deauthorized.
3. Go to SEPA and change the sanctioned individual's Part Code from 'IN' to 'DQ' and enter the 'SN' reason code.
4. Go to EXPD to determine if the individual is a "work-eligible individual" and required to negotiate a FIA/EP during the sanction penalty month. (TEAMS is programmed to determine who is a "work-eligible individual" based on parental connection and participation code.) EXPD will also show if the household remains eligible for cash assistance.

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- 5. Send appropriate sanction notice to the participant:
- a. If the individual is a “work-eligible individual” send the TEAMS A741 “1ST SAN DEC--WORK ELIGIBLE” notice. This notice informs the participant that they are required to negotiate a FIA/EP and agree to participate in work activities during the one month sanction penalty month. They must negotiate a FIA/EP for the sanction penalty month to avoid case closure and to receive the decreased TANF benefits during the penalty month.
 - b. If the individual is not a “work-eligible individual” send the TEAMS A740 “1ST SAN DEC—NOT WORK ELIGIBLE” notice. This notice informs the participant that they are required to negotiate a new FIA/EP prior to the end of the sanction penalty month to receive further benefits and avoid case closure for failing to negotiate a FIA/EP.
6. Determine the Food Stamp noncompliance adjustment if appropriate (FS 602-5).
7. Notify the Section 8 housing provider using the HCS-783 “Sanction Housing Notification,” if the individual is in Section 8 housing.

NOTE:

This is not a mandatory form but it has been revised and may be useful as a communication tool with Section 8 housing.

WORC CASE MANAGER

Notify the R & R of the sanction and to discontinue childcare assistance if appropriate.

ELIGIBILITY CASE MANAGER

8. If the sanctioned individual is a “work-eligible individual” and they do not negotiate a FIA/EP by the end of the current month for the sanction penalty month, close the TANF cash assistance case using the ‘SAN’ closure code. No further notice is required.
- 9. If the individual is not a “work eligible individual” and they do not negotiate a new FIA/EP prior to the end of the penalty month for the following month, close the TANF cash assistance case with the ‘FIA’ closure code. The household may reapply for TANF cash assistance for the following month and be found eligible.

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SECOND AND

Complete the following procedure to assure the sanction is entered and

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**SUBSEQUENT
SANCTION
PROCEDURE**

the ineligibility period is imposed and recorded on TEAMS.

RESPONSIBILITY**ACTION:****Eligibility
Case Manager:**

1. Upon approval of the Sanction Review Committee or upon sanction referral from Tribal NEW, go to the EMPL screen and enter 'S' next to the appropriate component. TEAMS will go to SAMA.
2. On SAMA, add information in the COMMENTS field, and press enter to store the sanction. Then press F5 to return to EMPL. Benefits will be deauthorized.
4. Go to SEPA and change the sanctioned individual's Part Code from 'IN' to 'DQ' and enter the 'SN' reason code.
5. Notify the Section 8 housing provider if the individual is in Section 8 housing using the HCS-783 "Sanction Housing Notification".

NOTE:

This is not a mandatory form but it has been revised and may be useful as a communication tool with Section 8 housing.

6. Determine the Food Stamp noncompliance adjustment. (FS 602-5)
7. Close the case using the 'SAN' closure code.



Document action taken in TEAMS Case Notes (CANO). Send appropriate notice of closure using TEAMS A609 "2ND OR MORE SANCTION CLOSE" notice.

**WORC CASE
MANAGER**

8. Notify the R & R of the sanction and to discontinue childcare assistance if appropriate.

**CANCEL/REMOVE
A SANCTION**

Once imposed, a sanction is canceled or removed only if the participant has good cause as determined by the Sanction Review Committee (Sections 1509-1 and 702-2), a Fair Hearing and continued benefits have been requested, a Fair Hearing decision is in his/her favor, or an administrative error has occurred. An Eligibility Supervisor has the ability to take the necessary action.

**REMOVING A
SANCTION-**

If a sanction must be lifted; the Eligibility Supervisor is authorized to do so using the following procedure:

PROCEDURE

1. From EMPS select the participant who is sanctioned by placing the cursor or entering a character in front of his/her name. Press Enter.
2. This will bring up EMPL for that participant. Access the SAMA screen from the EMPL screen by entering an 'S' in the select field next to the component in question. A blank SAMA screen will appear.
3. On SAMA, in the 'Sanction number field', enter the number of the sanction to be removed. Press Enter to display that sanction.
4. Tab to the 'Remove Sanction field'. Enter your password. Press ENTER.

Once the sanction is removed, eligibility must be redetermined and a new FIA/EP must be negotiated. Change the individual's Part Code on AF SEPA from 'DQ' to 'IN'. The Eligibility Case Manager must redetermine Food Stamp eligibility and allotment. Document action in TEAMS Case Notes (CANO).

NOTE: If this action occurs after TEAMS Cutoff, a supplement may need to be issued.

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